

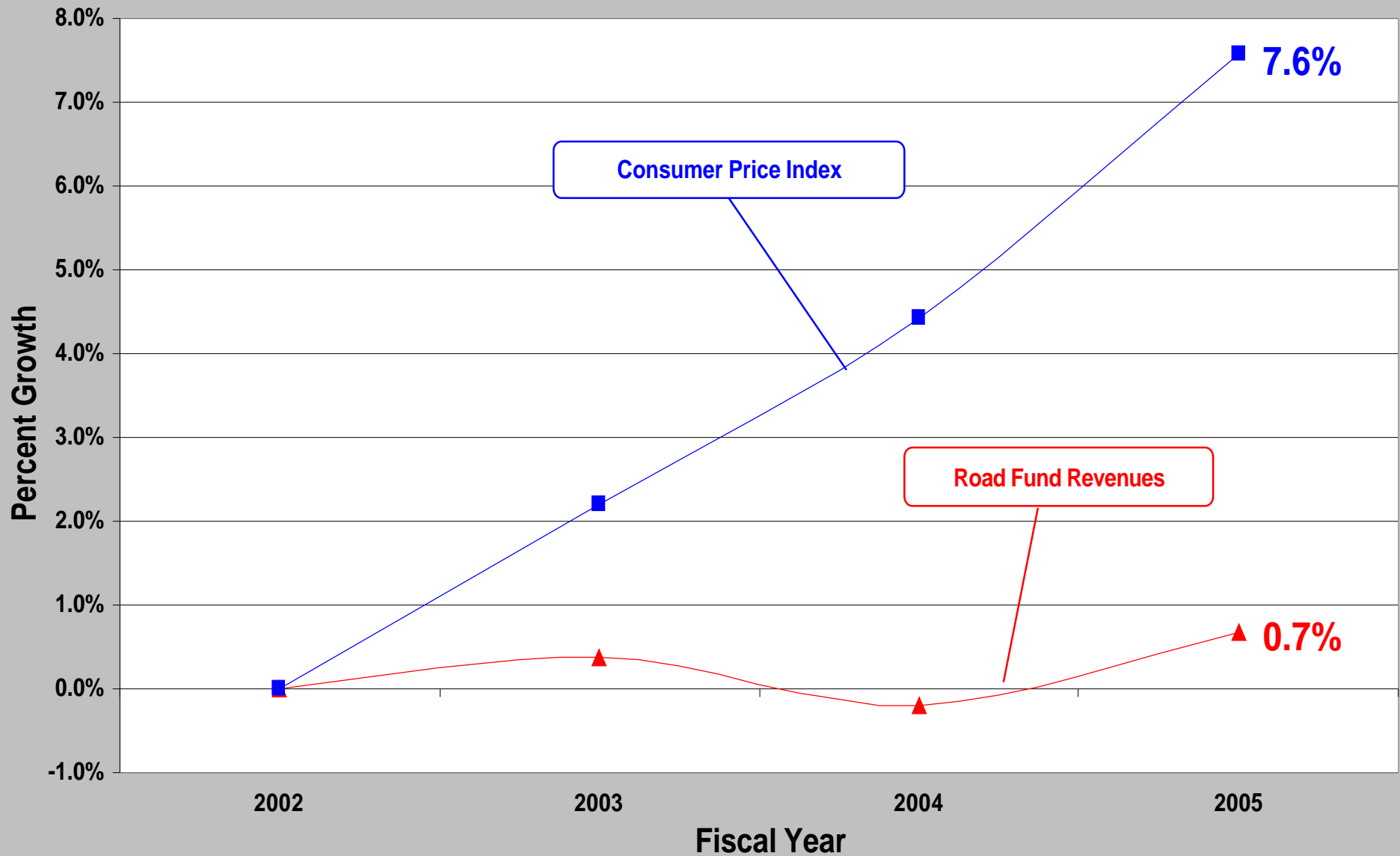
House Budget Review Subcommittee on Transportation

**Debra Gabbard, CPA
Executive Director
Office of Budget & Fiscal
Management**

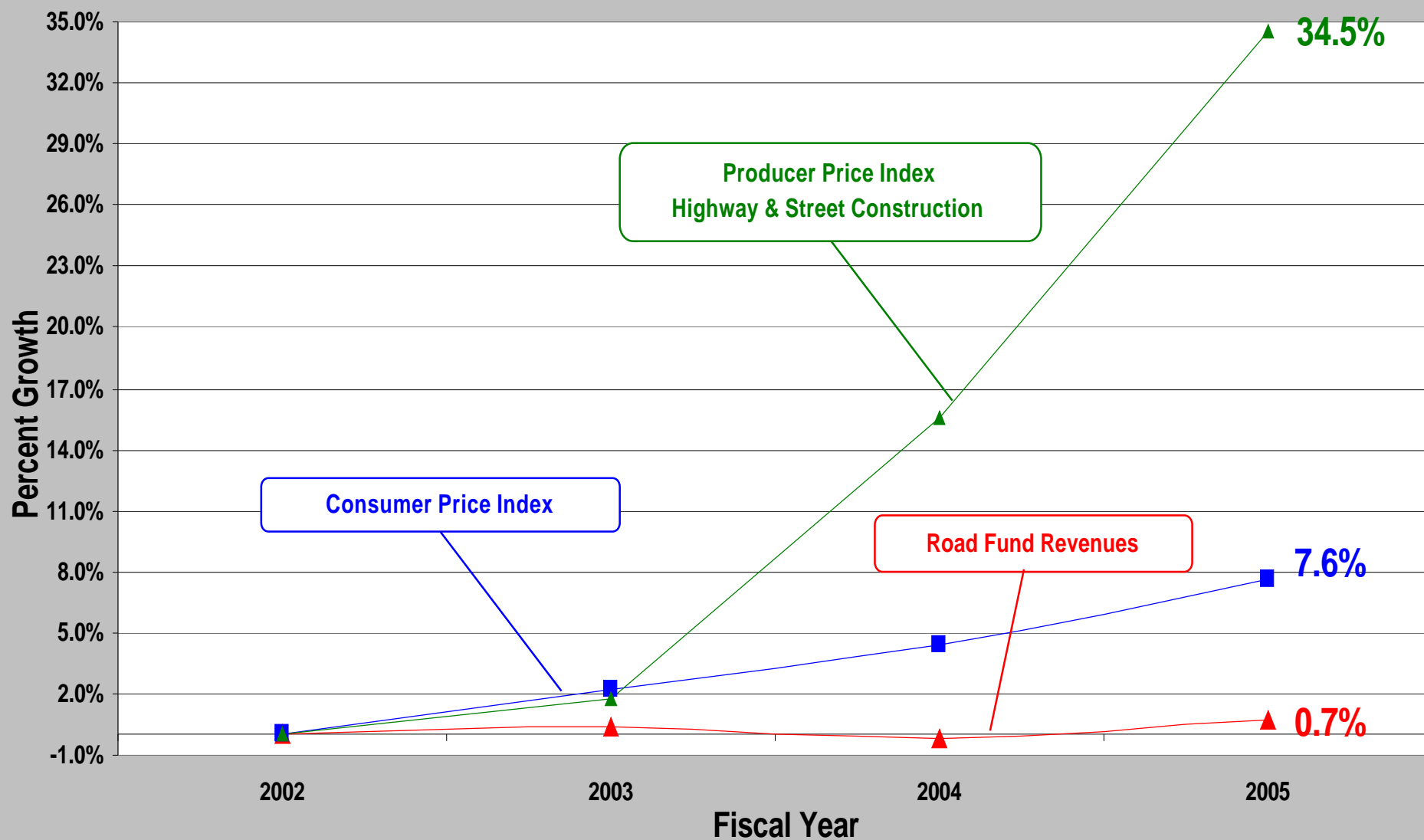
February 1, 2006



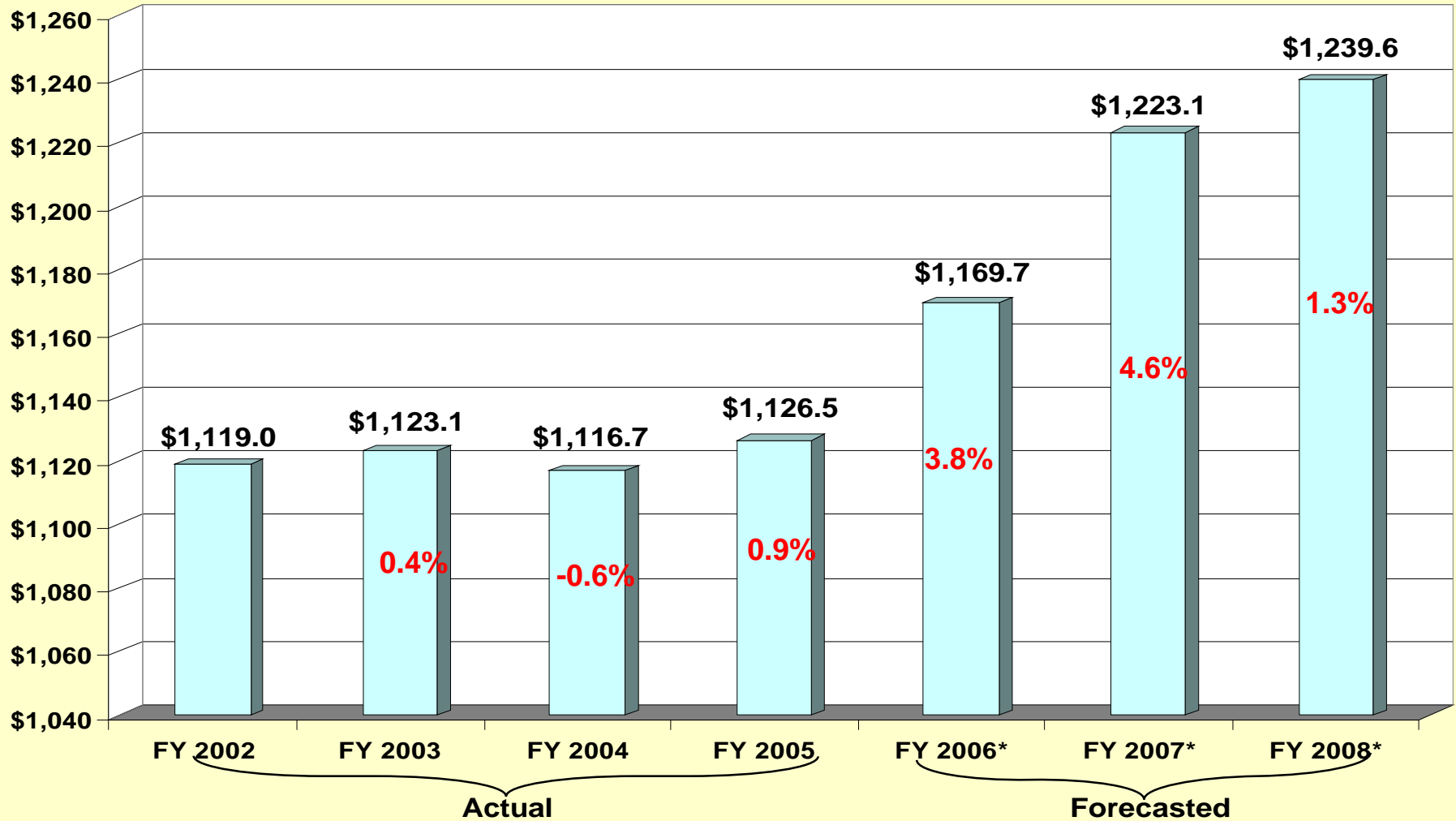
ROAD FUND GROWTH COMPARED TO CPI FROM FY 2002 - FY 2005



ROAD FUND GROWTH COMPARED TO CPI & PPI FROM FY 2002 - FY 2005



ACTUAL & PROJECTED ROAD FUND REVENUES (in millions)



FY 2008 Revenues represent 10.8% growth over FY 2002 Revenues. This equates to an average annual growth of 1.8%.

* Based on December 2005 Consensus Forecasting Group Estimate.

KYTC/obfm

PROJECTED ROAD FUND REVENUE BY MAJOR TYPE

(in millions)

	<u>FY06</u>	<u>%Growth</u>	<u>FY07</u>	<u>%Growth</u>	<u>FY08</u>	<u>%Growth</u>
RF Total	\$1,169.7	3.8%	\$1,223.1	4.6%	\$1,239.6	1.3%
Motor Fuels	\$528.5	7.7%	\$563.0	6.5%	\$567.2	0.7%
MV Usage	\$401.2	-1.5%	\$410.3	2.3%	\$418.8	2.1%
Other	\$240.0	5.2%	\$249.8	4.1%	\$253.6	1.5%

KENTUCKY GASOLINE RATE

Gasoline Tax Rate

KRS 138.220(1)
(awp * 9%)

Motor Fuel User Tax

KRS 138.220(2)

¹ FY 1987-2004	10¢	5¢
² FY 2005	11¢ frozen (new floor)	5¢
³ FY 2006	12.1¢	5¢
		17.1¢
UST Fee		<u>1.4¢</u>
TOTAL		18.5¢

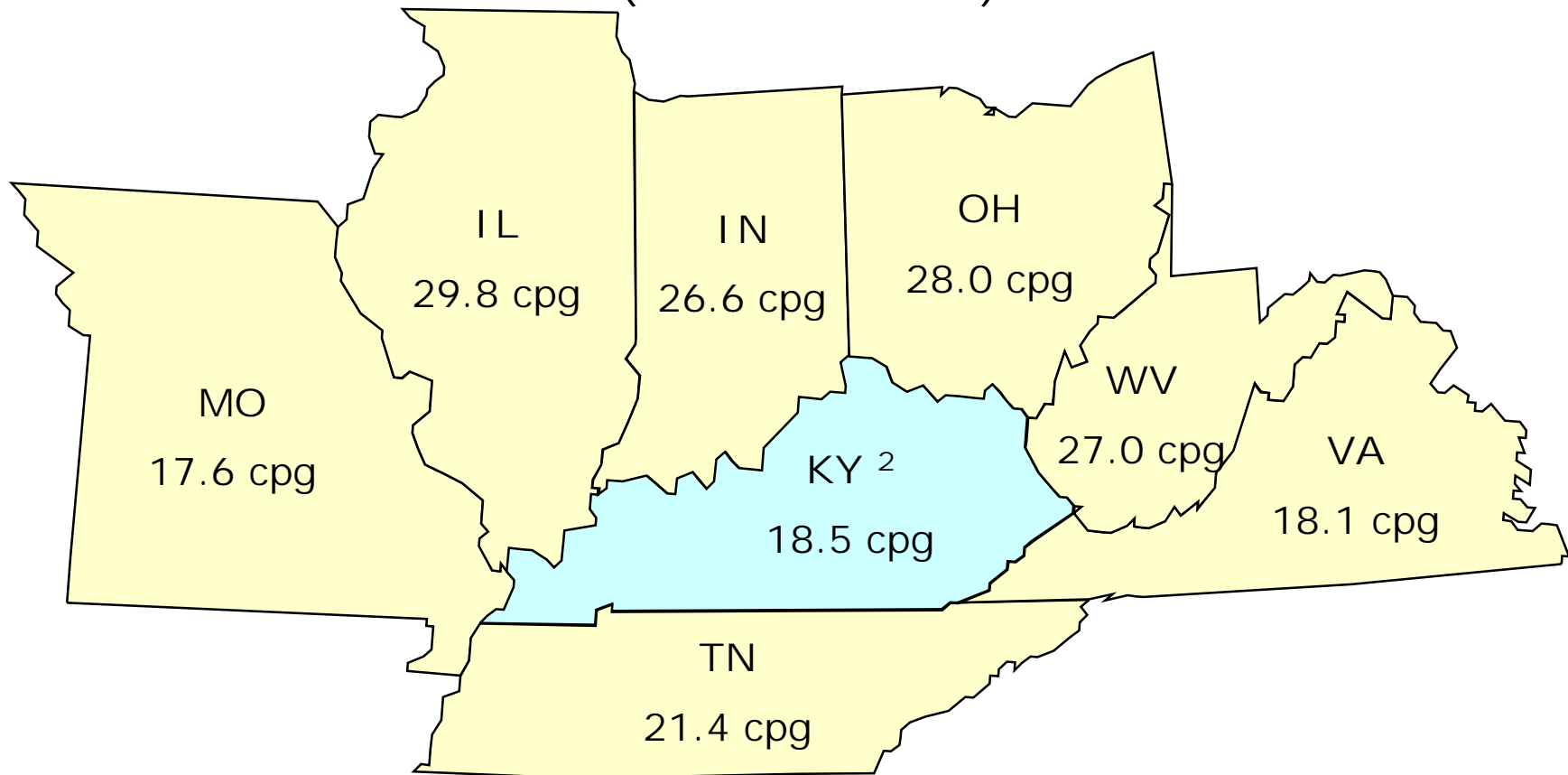
¹ Minimum price of \$1.11 effective July 1986

² KRS 138.210(1)(b) limits any annual increase to 10% over the AWP at the close of the last fiscal year. Actual average price calculated at \$1.27 effective July 2004.

³ The increase is limited to 10% over the AWP at the close of the previous fiscal year. The actual average gasoline wholesale price calculated to \$1.69 effective July 2005.

KENTUCKY'S GASOLINE TAX¹ COMPARED TO BORDERING STATES

(Cents Per Gallon)



¹ Includes base excise tax, plus additional sales tax on gasoline in IL, IN, and WV. Also includes other miscellaneous fees/taxes. Does not include any local taxes that may be imposed.

² Temporary increase of 1.1 cpg effective July 1, 2005 due to increase in wholesale price of gasoline.

KENTUCKY GASOLINE RATE

Gasoline Tax Rate

KRS 138.220(1)
(awp * 9%)

Motor Fuel User Tax

KRS 138.220(2)

FY 1987-2004	10¢	5¢
FY 2005	11¢ frozen (new floor)	5¢
FY 2006	12.1¢	5¢
FY 2007	13.3¢	5¢
FY 2008	<div><div>13.8¢ 1st Qtr</div><div>13.3¢ 2nd Qtr</div><div>12.8¢ 3rd Qtr</div><div>12.3¢ 4th Qtr</div></div>	5¢
		17.8¢
	UST Fee	<u>1.4¢</u>
	TOTAL	19.2¢

TRANSPORTATION BUDGET HIGHLIGHTS

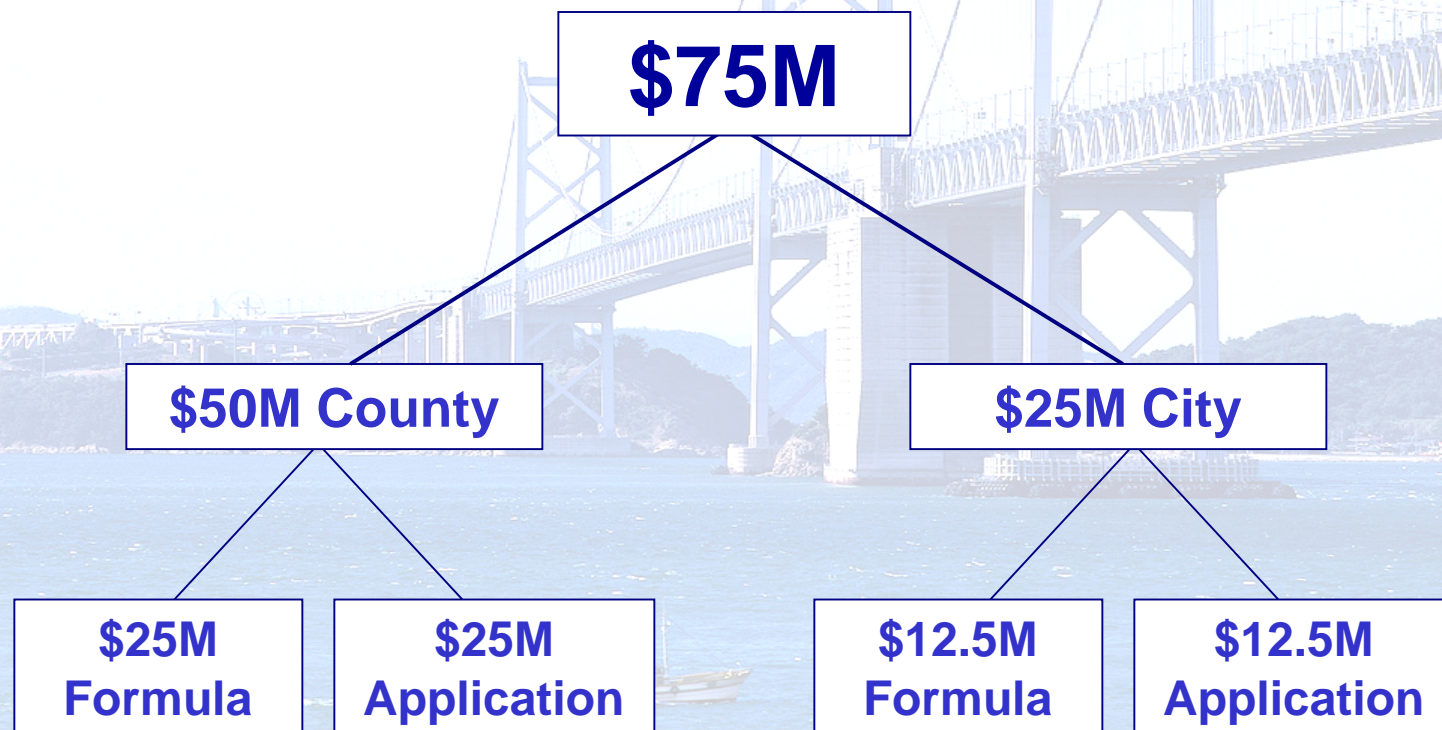
Governor's Recommended Budget

- Increased emphasis on maintenance and resurfacing – additional \$93M requested for these activities over the biennium.
- \$2.5M for software to develop electronic filing for motor fuel taxpayers.
- \$290M in Garvee Bonds to complete the 3 interstate widening projects.

TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

Additional economic development bonds for county and city roads and bridges.





TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

- Up to 1% of Road Fund revenues can be used for airport runways at public airports (at the discretion of the Secretary of Transportation).

AVIATION DEVELOPMENT FUND

Annual Revenues	\$5.5M
Relocation of Major Taxpayer	<1.0M>
Net Projected revenues	\$4.5M
Administrative Costs	<1.5M>
DS on Economic Dev. Bond	< .5M>
<hr/>	
Funds Remaining	\$2.5M

KENTUCKY TRANSPORTATION CABINET

TRANSPORTATION'S AGENCY REQUEST

and the

GOVERNOR'S RECOMMENDED BUDGET

FB 2006 - 2008

OTHER AGENCY APPROPRIATIONS

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
General Government ¹	600,000	600,000	0
Finance & Administration ²	1,826,000	1,718,000	(108,000)
Justice & Public Safety ³	<u>42,768,100</u>	<u>48,974,900</u>	<u>6,206,800</u>
TOTAL	45,194,100	51,292,900	6,098,800

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
General Government ¹	600,000	600,000	0
Finance & Administration ²	1,826,000	1,718,000	(108,000)
Justice & Public Safety ³	<u>42,768,100</u>	<u>48,881,500</u>	<u>6,113,400</u>
TOTAL	45,194,100	51,199,500	6,005,400

¹Includes Homeland Security (\$350,000) and Treasury (\$250,000) each fiscal year.

²Includes Revenue (\$1,418,000) and Finance Administration (\$300,000) each fiscal year. KYTC request included COT (\$125,000) each fiscal year.

³Includes State Police (\$35,000,000) each fiscal year and Vehicle Enforcement (\$13,974,900 - FY07 and \$13,881,500 - FY08).

AIR TRANSPORTATION

AIRPORT DEVELOPMENT FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	4,665,000	4,197,000	(468,000)
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	4,665,000	4,197,000	(468,000)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	4,640,000	4,172,000	(468,000)
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	4,640,000	4,172,000	(468,000)

AIR TRANSPORTATION

GENERAL FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	0	0	0
Additional Budget	<u>2,968,000</u>	<u>0</u>	<u>(2,968,000)</u>
TOTAL	2,968,000	0	(2,968,000)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	0	0	0
Additional Budget	<u>2,968,000</u>	<u>0</u>	<u>(2,968,000)</u>
TOTAL	2,968,000	0	(2,968,000)

AIR TRANSPORTATION

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	0	0	0
Additional Budget	<u>1,959,600</u>	<u>0</u>	<u>(1,959,600)</u>
TOTAL	1,959,600	0	(1,959,600)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	0	0	0
Additional Budget	<u>1,959,600</u>	<u>0</u>	<u>(1,959,600)</u>
TOTAL	1,959,600	0	(1,959,600)

*Plane and Helicopter Operations

PUBLIC TRANSPORTATION

FEDERAL FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	27,271,500	27,271,500	0
Additional Budget	<u>12,932,700</u>	<u>12,932,700</u>	<u>0</u>
TOTAL	40,204,200	40,204,200	0

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	27,290,800	27,290,800	0
Additional Budget	<u>12,942,800</u>	<u>12,942,800</u>	<u>0</u>
TOTAL	40,233,600	40,233,600	0

PUBLIC TRANSPORTATION

GENERAL FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	5,203,400	5,203,400	0
Additional Budget	<u>1,596,700</u>	<u>0</u>	<u>(1,596,700)</u>
TOTAL	6,800,100	5,203,400	(1,596,700)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	5,203,400	5,203,400	0
Additional Budget	<u>1,596,700</u>	<u>0</u>	<u>(1,596,700)</u>
TOTAL	6,800,100	5,203,400	(1,596,700)

TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

Public Transportation

FY07

FY08

General Funds

\$5.2M

\$5.2M

Non-Public Schools

\$2.95M

\$2.95M

Multimodal Programs

.6M

.6M

TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

Public Transportation

FY07

FY08

General Funds

\$5.2M

\$5.2M

Non-Public Schools

\$2.95M

\$2.95M

Multimodal Programs

.6M

.6M

Available to Match
Capital Grants

\$1.65M

\$1.65M

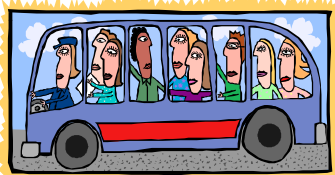
PUBLIC TRANSPORTATION

BUS REPLACEMENT GRANT USING TOLL CREDITS

Federal Grant	800,000
State Match (Toll Credits)	100,000
<u>Local Match (Toll Credits)</u>	<u>100,000</u>
TOTAL FUNDS	\$800,000

8 BUSES REPLACED

INSTEAD OF 10 WITH A CASH MATCH



VEHICLE REGULATION

ROAD FUND

FISCAL YEAR 2006

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	15,333,000	15,333,000	0
Additional Budget	<u>1,000,000</u>	<u>947,300</u>	<u>(52,700)</u>
TOTAL	16,333,000	16,280,300	(52,700)

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	16,645,900	15,856,900	(789,000)
Additional Budget	<u>1,593,800</u>	<u>1,539,200</u>	<u>(54,600)</u>
TOTAL	18,239,700	17,396,100	(843,600)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	17,257,100	16,259,200	(997,900)
Additional Budget	<u>2,202,900</u>	<u>2,010,700</u>	<u>(192,200)</u>
TOTAL	19,460,000	18,269,900	(1,190,100)

KYTC/obfm

REVENUE SHARING

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference ¹
Baseline + Defined Calcs	258,487,400	257,668,000	(819,400)
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	258,487,400	257,668,000	(819,400)

FISCAL YEAR 2008

	Requested	Gov's Rec ²	Difference ^{1,2}
Baseline + Defined Calcs	255,836,400	252,908,400	(2,928,000)
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	255,836,400	252,908,400	(2,928,000)

¹Based on Revised December 2005 CFG Estimate

²Includes a Reduction of \$6,984,000 for Debt Service on \$75M in Bonds

GENERAL ADMINISTRATION & SUPPORT

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	70,166,100	68,648,300	(1,517,800)
Additional Budget	<u>6,967,600</u>	<u>568,800</u>	<u>(6,398,800)</u>
TOTAL	77,133,700	69,217,100	(7,916,600)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	71,743,600	69,503,600	(2,240,000)
Additional Budget	<u>7,080,500</u>	<u>568,800</u>	<u>(6,511,700)</u>
TOTAL	78,824,100	70,072,400	(8,751,700)

HIGHWAYS - Administration

Research, Engineering, Planning, Operations

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	43,406,200	41,909,100	(1,497,100)
Additional Budget	<u>1,626,600</u>	<u>407,800</u>	<u>(1,218,800)</u>
TOTAL	45,032,800	42,316,900	(2,715,900)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	45,634,900	43,551,600	(2,083,300)
Additional Budget	<u>1,679,000</u>	<u>410,000</u>	<u>(1,269,000)</u>
TOTAL	47,313,900	43,961,600	(3,352,300)

HIGHWAYS - Equipment

RESTRICTED FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	39,570,300	38,310,000	(1,260,300)
Additional Budget	<u>4,290,900</u>	<u>5,551,000</u>	<u>1,260,100</u>
TOTAL	43,861,200	43,861,000	(200)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	40,289,100	38,564,400	(1,724,700)
Additional Budget	<u>4,354,300</u>	<u>6,079,000</u>	<u>1,724,700</u>
TOTAL	44,643,400	44,643,400	0

HIGHWAYS - Maintenance

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	260,410,400	253,229,400	(7,181,000)
Additional Budget	<u>31,174,400</u>	<u>28,594,000</u>	<u>(2,580,400)</u>
TOTAL	291,584,800	281,823,400	(9,761,400)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	267,945,500	259,479,300	(8,466,200)
Additional Budget	<u>32,010,300</u>	<u>29,857,400</u>	<u>(2,152,900)</u>
TOTAL	299,955,800	289,336,700	(10,619,100)

HIGHWAYS - Federal Construction

FEDERAL FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	579,680,300	579,680,300	0
Additional Budget	<u>57,331,400</u>	<u>57,331,400</u>	<u>0</u>
TOTAL	637,011,700	637,011,700	0

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	582,340,400	582,340,400	0
Additional Budget	<u>77,242,800</u>	<u>77,242,800</u>	<u>0</u>
TOTAL	659,583,200	659,583,200	0

HIGHWAYS - Federal Construction

ROAD FUND STATE MATCH

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	40,181,600	40,181,600	0
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	40,181,600	40,181,600	0

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	40,181,600	40,181,600	0
Additional Budget	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	40,181,600	40,181,600	0

HIGHWAYS - State Construction

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	303,055,500	300,519,300	(2,536,200)
Additional Budget	<u>6,917,800</u>	<u>3,680,000</u>	<u>(3,237,800)</u>
TOTAL	309,973,300	304,199,300	(5,774,000)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
Baseline + Defined Calcs	304,213,500	303,846,800	(366,700)
Additional Budget	<u>0</u>	<u>3,680,000</u>	<u>3,680,000</u>
TOTAL	304,213,500	307,526,800	3,313,300

HIGHWAYS - State Construction - Detail

ROAD FUND

FISCAL YEAR 2007

	Requested	Gov's Rec	Difference
State Projects (FD04)	184,913,300	186,057,100*	1,143,800
Resurfacing (FD05)	87,320,000	80,402,200	(6,917,800)
Contingency Acct (FD11)	<u>37,740,000</u>	<u>37,740,000*</u>	<u>0</u>
TOTAL	309,973,300	304,199,300	(5,774,000)

FISCAL YEAR 2008

	Requested	Gov's Rec	Difference
State Construction (FD04)	179,153,500	182,466,800*	3,313,300
Resurfacing (FD05)	87,320,000	87,320,000	0
Contingency Acct (FD11)	<u>37,740,000</u>	<u>37,740,000*</u>	<u>0</u>
TOTAL	304,213,500	307,526,800	3,313,300

*\$2.5M in Each Fiscal Year to Kentucky Pride Fund

KYTC/obfm

CAPITAL BUDGET

FISCAL YEAR 2007

Requested	Gov's Rec	Difference
7,535,000	9,035,000	1,500,000

FISCAL YEAR 2008

Requested	Gov's Rec	Difference
6,795,000	6,795,000	0



2.365.4
323.125.2
56.321.
265.330.000
65.23
366.
326.